

twenty per cent level was absolutely necessary to secure an adequate revenue for the expenses of the government. Thus any further distribution of these funds among the states could not be made. Indeed such was the condition of the treasury, that Congress was compelled at the ensuing session to extend the loan of 1841 and add \$5,000,000 thereto. The Democrats wished to devote the proceeds of the sale of the public lands to the gradual liquidation of this temporary loan. This the Whigs opposed, and, having a majority, defeated. It was while the bill authorizing this loan was pending that Mr. Graham made his first set speech, April 13, 1842. He first shows that during the four years of the Van Buren administration, the expenses of the government exceeded its revenue by \$31,000,000; that this deficit was reduced to \$5,500,000, by the application of \$26,000,000 of extraordinary funds, \$17,000,000 of surplus at the beginning of the administration, \$9,000,000 of which should have been the fourth installment of the deposit of land proceeds with the states, and \$9,000,000 were received from debts due the United States, principally for the sale of its stock in the late Bank of the United States; that they not only diverted this capital to the payment of the ordinary expenses of the government, but they were compelled to borrow \$5,500,000 more by the issue of treasury notes to meet their extravagant expenditures, and this legacy of debt they have left to the Tyler administration. "To meet this deficiency, what have we? Instead of surplus, we have debt. Instead of extraordinary means falling in, we have a daily increasing charge of interest. Instead of a tariff of forty per cent, we have one nearly approaching 20 per cent, and that upon little more than half the imports. What then is to be done? * * * Mr. President, our whole duty in this emergency seems to be comprehended in three propositions:

"1. Borrow such sum, upon the best terms we can obtain,